

# GLOBAL COMPETITIVENESS OF U.S. FRUITS AND VEGETABLES



Prepared for: The Fruit and Vegetable Industry

**Advisory Committee** 



By: The Global Competitiveness

Working Group.



Chair: Chuck Ciruli



Members: Wayne Brandt

Jeff Crist

Matt D'Arrigo

Matt McInerney

Paul Palmby

Dan Richey

John Shelford





















#### Current Business Climate

 Consumer demand for a wide variety of fresh produce year round

 Continuing consolidation of retail and foodservice purchasers

Continual evolution of consumer preferences















#### Task of Group

• Change is inevitable

We need to proactively influence it















## Strengths of U.S. producers/industry

- Technology
- Productivity
- Access to the U.S. market
- Ability to develop new products Niche to mainstream (kiwifruit, clementines, etc.)
- Infrastructure and logistics
- Academia
- Government oversight
- Diversity















## Weaknesses of U.S. producers/industry

- Industry fragmentation across regions and commodities
- Costs
- Industry attitudes we can be very complacent
- Labor
- Lack of research
- Fuel costs
- Misinformed media (food safety)















## Opportunities for U.S. producers/industry

- Export markets U.S. accounts for 5% of world population.
- New and/or improved products
- Health benefits
- Generic advertising
- Understanding the new business model















## Threats to U.S. producers/industry

- Foreign competition
- Cheaper labor
- Hungrier for market share
- Climate
- Special interest groups
- Land use
- Adverse legislation/regulation



Here are some things that we are already doing to enhance competitiveness:



#### Agricultural Marketing Service



Daily market news reporting



Informational services



PACA



Grade standards and market inspections

















#### Extension service

- Communicating research results to growers
- General information and services



#### Foreign Agricultural Service



Information on competition



Information on trade barriers



Information of foreign consumer markets





#### Other



Private product and brand development



Academia – research and verification



National trade association efforts

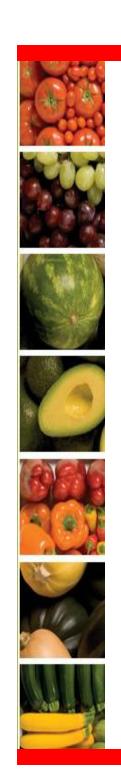


United Fresh Produce Association



Produce Marketing Association





So, let's begin the discussion on how we might overcome the challenges to the industry.



## How do we bring the industry together to work cohesively?



Generic advertising





 Get our message out to the consumer and the media



• Strengthen the "weakest link" on food safety



Bring together trade associations

















### How do we open up foreign markets?

What tools do we need?

- FAS staff to precisely identify trade barriers
- FAS staff to better alert industry to market opportunities
- USDA support on phytosanitary issues
- International dispute resolution / credit issues



## How can we align federal nutrition programs with USDA dietary guidelines?

- Minimize restrictions on purchases for federal programs in order to allow the most effective use of available funds from a nutrition standpoint
- Minimize targeting of specific commodity purchases to ensure broad industry support for programs

















#### Others issues

- How do we deal with special interest groups?
- How do we deal with urbanization of farmland?
- How do we deal with water issues?
- How do we address the rising costs of production, transportation, etc.?
- How do we fund research for fresh fruits and vegetables?



#### **OUR CHALLENGE**











How do we assist U.S. growers to successfully align and coordinate with growers from around the world to ensure U.S. grower viability and relevance?